

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: October 4, 2004

SUBJECT: Fiscal Impact Statement: "Anacostia Waterfront Corporation
Emergency Act of 2004"

REFERENCE: Draft Legislation to be Introduced - No Number Available

Conclusion

Although funds sufficient to run the Anacostia Waterfront Corporation (AWC) have not yet been identified, funds are sufficient in the District of Columbia's proposed FY 2005 through FY 2008 budget and financial plan to approve the Anacostia Waterfront Corporation Emergency Act of 2004.

The bill establishes the AWC as an independent instrumentality of the District whose finances would be wholly separate from the District's general fund. However, the bill provides no financial plan or funding for the operation of the proposed Corporation. Any direct or indirect financial support from the District would require placement in the budget or additional legislation.

Background

The proposed legislation is nearly identical to an act previously approved by the Council of the District of Columbia and approved by the Mayor,¹ but makes technical corrections. The revisions do not affect the bill's fiscal impact. The Act is awaiting approval by the Congress. The technical corrections clarify that actions by the AWC concerning federal functions or property shall be authorized by the federal government. The amendments also authorize the AWC to act as the agent of the District on federal matters relating to the development of the Anacostia River waterfront.

¹ Act 15-527, "Anacostia Waterfront Corporation Act of 2004"; Enacted August 5, 2004.

The proposed legislation would establish the AWC as an independent instrumentality of the District of Columbia. The AWC would be the organization responsible for the redevelopment of the Southwest Waterfront, and the lands adjacent to the Anacostia River.

The AWC would have an unpaid 12 member board of directors – nine voting members consisting of six members of the public, one member of the Board of the National Capital Revitalization Corporation (NCRC), the Mayor, the Chief Financial Officer, and three non-voting members consisting of the Chairman of the National Capital Planning Corporation, the Secretary of the Department of the Interior and the Administrator of the General Services Administration.

The Act provides the AWC with eminent domain authority and the ability to create subsidiary corporations, revolving funds and special or reserve funds. The corporation's accounts would be wholly separate from the District's General Fund, however, the Act does not provide any money to fund these accounts. AWC would also be vested with the power to issue taxable and tax-exempt revenue bonds to support the redevelopment of the area surrounding the Anacostia River.

The only land transfer that is authorized under this Act is the transfer of the Southwest Waterfront properties from the NCRC to the AWC. The NCRC would receive \$25 million in Community Development Block Grant (CDBG) dollars from the sale of Redevelopment Land Authority Revitalization Corporation (RLARC) properties, by temporarily eliminating the current 60/40 percent split on land proceeds shared between the District Department of Housing and Community Development (DHCD) and the NCRC. NCRC would also be compensated with other District owned properties, as specified in a Memorandum of Understanding (MOU) executed between the Mayor and the NCRC Board.

Financial Plan Impact

Although specific funds sufficient to run the AWC have not yet been identified, funds are sufficient in the proposed FY 2005 through FY 2008 budget and financial plan to approve the Anacostia Waterfront Corporation Emergency Act of 2004 because the AWC would be an independent instrumentality of the District. As an independent instrumentality of the District, the AWC's finances are wholly separate from the District's general fund.

The legislation authorizes the AWC to borrow funds from private lenders, the District and the Federal governments, and to receive grants, appropriations and dedicated revenues. If any of the funds identified to run the AWC are from District sources, they must be budgeted in order not to have a negative impact on the District's budget and financial plan.